



News Release

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**MILLIONS IN TAX CHECKS RETURNED TO IRS,
AGENCY URGES PEOPLE TO ACT BEFORE DEC. 5**

WASHINGTON -- The Internal Revenue Service is urging more than 390,000 Americans whose income tax refund or advance payment checks have been returned to the agency to act now so their checks can be processed and mailed to them by the end of December.

The agency's list of undelivered checks this year includes more than 295,000 advance payment checks the IRS started issuing in July. There is extra urgency for taxpayers to act quickly on these checks by Dec. 5. After that day, taxpayers can't get an advance payment check. Instead, they'll have to claim it after Jan. 1 on their 2001 tax returns.

The returned advance payment total is \$95 million – an average of \$322 per check. The returned checks represent slightly more than one-third of 1 percent of the more than 85 million mailed.

In addition, another 95,500 tax refunds were returned to the IRS from this year and previous years. These "regular" tax refunds are worth \$88.5 million – an average of \$927 per check.

"The advance payment checks add a unique dimension this year," said IRS Commissioner Charles O. Rossotti. "But our goal remains the same: We want this money back in the hands of the people as quickly as possible."

Taxpayers who think they may be missing a refund or an advance payment check should first check their records or contact their tax preparer. If they believe they are missing a check, they should call the IRS toll-free assistance line at 1-800-829-1040.

Frequently, checks don't reach taxpayers because of a move or a major life change, such as a marriage or name change.

"All we need is a good address," Rossotti said. "As soon as we get the correct address, we'll start the check on its way. But for the advance payments, we need that information before Dec. 5 so we have time to reprocess the checks."

The added urgency for the advance refund checks is because the Economic Growth and Tax Relief Reconciliation Act of 2001, which authorized the payments, says

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the checks cannot be issued after Dec. 31, 2001. That means there won't be enough time to process claims made after Dec. 5. However, those eligible for an advance payment check who don't receive it before the end of the year can claim it as a credit on their 2001 tax return starting in January.

"Those who are eligible for a check will still get their payment, but they'll have to wait longer for it if we can't get their check to them before the end of this year," Rossotti said.

Choosing to have a tax refund deposited directly to a bank account is the best way to ensure it goes to the right place and to guard against loss or theft. Nearly 34 million taxpayers chose direct deposit for their refunds during the 2001 filing season, an increase of more than 15 percent compared with a year ago. The direct deposit option was not available for advance payment checks.

There are many reasons that refund or advance payment checks might not reach taxpayers, but it's often because a life change causes an address change. If an address changes, and neither the IRS nor the U.S Postal Service is notified, a check sent to the last known address will be returned to the IRS.

According to the Postal Service, about 43 million Americans move each year. That's more than 800,000 address changes each week.

To ensure the IRS has their correct address, taxpayers who have moved since filing their last tax return are urged to file a Form 8822, "Change of Address," with the IRS. The form can be downloaded from the IRS Web Site at www.irs.gov or can be requested by calling 1-800-829-3676.

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Editor's Note: Local media looking for details on undelivered refunds in their area should contact their local IRS Media Relations office. National media inquiries can be directed to (202) 622-4000.

Timeliness Note: Information in this news release about advance payment checks should not be used after Dec. 31 because these checks cannot be issued after that date.